

HOUSE BILL NO. 199

INTRODUCED BY R. HAMILTON

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE AMOUNT OF LODGING FACILITY USE TAX ALLOCATED TO THE MONTANA HERITAGE PRESERVATION AND DEVELOPMENT ACCOUNT; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-65-121, MCA, is amended to read:

"15-65-121. Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections (1)(a) through (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of ~~\$400,000~~ \$550,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies, or deposited in the heritage preservation and development account is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research

1 program;

2 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that
3 have both resident and nonresident use;

4 (d) 67.5% to be used directly by the department of commerce; and

5 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to regional
6 nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds
7 collected statewide; and

8 (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort
9 area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit
10 tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is
11 located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county,
12 resort area, or resort area district.

13 (2) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for
14 funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an
15 annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit
16 tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is
17 located.

18 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing
19 plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation
20 may be used by the department of commerce for tourism promotion and promotion of the state as a location for
21 the production of motion pictures and television commercials."

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23 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2009.

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